

Government Reform and Restructuring Commission
Customer Service/Transparency/Performance/Accountability Subcommittee

Patrick Henry Building- Conference Room 3,
July 6, 2010- 2:00 PM

Meeting Attendees: Heather Cox, Bruce Gemmill, Maurice McTigue, Matt Bruning, Mike Reynold, Suzy Kelly (by phone), Lisa Hicks-Thomas, Bob Brink, Mark Obenshain
Committee Special Advisors: Mike Thompson, Daniel Rothschild
Presenters: Anna M Van Buren (Faneuil), Michael Brewer and John Umphred (Aramark), Jerry Brito (Mercatus Center)

Opening

Committee Chair Heather Cox proposed a motion for approving the minutes from the last meeting, which Mr. Gemmill moved and Delegate Brink seconded. Cox said that the meeting would focus on two issues: what the Commonwealth is doing to improve customer-friendliness and accountability; and what solutions from the private sector companies could be used to improve services and save money.

Presentations

“Faneuil” Anna M Van Buren President and CEO of Faneuil

- Ms. Van Buren discussed the efficiency and cost-effectiveness of outsourcing call centers and ways of transitioning to outsourcing. Ms. Van Buren described several model projects that Faneuil conducted: outsourcing of Florida unemployment claims; privatization of toll collection in Florida; implementation of 311 information lines; co-sourcing of Florida Sun Pass; and emergency outsourcing for TennCare.
- Comments: Mr. McTigue asked how workers’ physical presence might be reduced by outsourcing and increased electronic communication. Ms. Van Buren replied that call centers focus on one-call resolution, which is facilitated by consolidated call centers, warm transfer, access to all of the state’s information services, and an IVR process. Agencies’ technical staff train call center workers, and calls are sorted according to the employee’s skill set. Ms. Tarsha Leherr, Faneuil’s VP of Workforce and Quality, said that she would get back to the committee about the effect on electronic vs. in-person encounters. Ms. Cox asked if Faneuil contracts for customer satisfaction surveys. Ms. Van Buren said that they do in some cases, and that surveys indicate customer satisfaction with their services because of better access, accurate information, and speed of response. Senator Obenshain asked how states’ specifications about employment and wage levels at outsourced centers affected Faneuil’s ability to complete contracts. Ms. Van Buren said that employment specifications affect staffing models, but that the effect depends on the culture of the agency. Mr. Thompson commented that these RFP specifications likely increase the cost. Senator Obenshain suggested performance metrics as an alternative, and Mr. Reynold asked what metrics Faneuil uses. Ms. Tarsha Leherr said they used accuracy, call resolution, service level, average speed of answer, and turnaround time as customer service metrics.
- Mr. Thompson requested information about the existing call centers in Virginia and how state agencies used them, which Secretary Hicks-Thomas said her agency would provide. Ms. Van Buren said she would provide information about the efficiency of outsourcing in other states. Mr. McTigue requested an econometric survey about the cost of social services versus the cost of a call center.

“Aramark” Michael Brewer VP of Aramark and John Umphred, Director of Business development

- Mr. Brewer and Mr. Umphred outlined the business practices and experiences of Aramark in outsourcing food service, correctional, and construction services. Mr. Umphred explained some of Aramark's ability to reduce costs and stated Aramark monitors client and customer satisfaction through surveys.
- Comments: Senator Obenshain asked if state contracts dictated Aramark's pay or staffing, which Mr. Umphred said was not an issue in Virginia for Aramark. Mr. Thompson asked how many Virginia agencies didn't contract for food services. Mr. Brewer said that three departments of corrections in Virginia contract for food services, but it was difficult to determine the cost-savings. Mr. Thompson stated that Virginia needed full cost accounting to compare agencies and contractors as previously recommended by the Commonwealth Competitiveness Council. Mr. McTigue asked about cost savings from outsourcing food services, which Mr. Umphred said were around 30%. Mr. Brewer said the Department of Corrections has a state farm program that isn't on the state budget in many states and is looked at as free. Mr. Brewer stated almost all Virginia colleges have contracted food services. Senator Obenshain suggested outsourcing some state government accounting. Mr. McTigue stated mandatory accounting standards were needed for state agencies. Mr. Thompson suggested using the natural attrition rate of state agencies to help privatize accounting positions. Ms. Cox asked what leading edge services Aramark provided in other states. Mr. Umphred replied Aramark can provide full service construction management as they did for a new dining hall at JMU. Mr. McTigue asked how many contracts Aramark finished ahead of time or under budget, data which Mr. Umphred said he would provide.

"E-Transparency and the National Budget Transparency Review"- Jerry Brito, Senior Research Fellow at the Mercatus Center, Adjunct Professor GMU

- Mr. Brito discussed federal government disclosure laws and how agencies attempted to meet disclosure requirements online. Mr. Brito stressed that the government must maintain government data online to preserve the integrity of the data and make it verifiable. Mr. Brito further stressed posted data must be searchable, machine readable, in an open and structured format, and non proprietary in order to be usable for citizens and third parties. When data meets this requirement, it can be further analyzed by third parties with mashups and other technology. Mr. Brito also suggested government data could be improved upon by crowd-sourcing where multiple users combine efforts to make one product.
- Comments: Mr. Gemmill commented on that state agencies had saved \$73,000 by combining toner and how mashups could produce similar savings. Delegate Brink asked how prescriptive does the state have to be about the format and structure of agency data. Mr. Brito said the state must stipulate documents be machine readable, such as XML, and use an open software format. Mr. Gemmill suggested using crowd-sourcing to get citizen input on state government challenges, which Mr. Brito said would work as a challenge competition. Mr. McTigue asked what the difference between proprietary and open software is. Mr. Brito answered proprietary software costs more and locks the user in with one vendor. Mr. Reynolds asked what cost state government would incur to improve online documents. Mr. Brito replied costs are dependent on systems used. Mr. Reynolds suggested examining Commonwealth Data Point as a model.

Committee Comments

Ms. Cox stated there were four areas the committee had to examine: requiring executive boards and commissions to provide live-streaming video of meetings, making state data formats more usable and searchable, requiring lobbyist disclosure of target bills and expenditures, and providing organization charts for each agency to the public.

Mr. McTigue suggested compiling a list of transparency suggestions, requiring standard accounting procedures for agencies, and developing a port of entry for better customer service. Mr. McTigue also asked for information on how many agency customer service centers there were in Virginia.

Mr. Gemmill suggested publishing more required state data online, as opposed to in print media, and ensuring that all data is searchable. He commented that the states of Texas, Arizona, Kansas, and Washington could be models of good government transparency.

Senator Obenshain commented that Virginia would be re-negotiating contracts for rest stops soon and the committee should look at this.

Delegate Brink stated that the budget was the best area to face on transparency. Delegate Brink suggested the committee members should look at state agency websites.

Secretary Hicks-Thomas suggested that asking state employees to crowd-source might improve customer service.

Mr. Thompson said that many of the changes proposed in the meeting could be implemented administratively.

Closing

Ms. Cox said that the presentations would be available at www.reform.virginia.gov, and that the commission will be holding town halls this summer. Ms. Cox announced the next full Commission meeting was on July 20th and reminded attendees they could put forth suggestions for the commission at www.reform.virginia.gov.

Ms. Cox opened the floor for public comment. Since no public comments were forthcoming, Ms. Cox adjourned the meeting at 4:25.